

BUSINESS ALLOCATION FORMULA - SCHEDULE D

	LOCATED EVERYWHERE I	LOCATED IN FLINT II	PERCENTAGE II ÷ I
1. Average net book value of real and tangible personal property	\$ _____	\$ _____	
a. Gross annual rentals multiplied by 8			
b. TOTAL (Add Lines 1 and 1a)			%
2. Total wages, salaries, commissions and other compensation of all employees (Exclude Partners)			%
3. Gross revenue from sales made or services rendered			%
4. Total percentages - add the three percentages computed for Lines 1b, 2 and 3 which you entered in the last column (You must compute a percentage for each of Lines 1b, 2 and 3)	→		%
5. Average percentage (one-third of line 4) - enter here and on P. 3, Sch. 1, Col. 4 (see note below)	→		%

NOTE: In determining the average percentage (Line 5), a factor shall be excluded from the computation only when such factor does not exist anywhere insofar as the taxpayer's business operation is concerned and, in such cases, the sum of the percentages on line 4 shall be divided by the number of factors actually used. In the case of a taxpayer authorized by the Administrator to use one of the special formulas, use the lines provided below.

- a. Numerator _____
- b. Denominator _____
- c. Percentage (a + b) _____ enter here and on P. 3, Sch. 1, Col. 4
- d. Date of Administrator's approval letter _____

INSTRUCTIONS FOR BUSINESS ALLOCATION FORMULA - SCHEDULE D

The business allocation percentage formula is to be used by NON-RESIDENT owners of businesses with business activity both within and without the City of Flint who, because they do not maintain sufficient records to accurately reflect the net profits from operations conducted within the City of Flint, or for other reasons, are not using the separate accounting method.

Line 1 - Enter in Column 1 the average net book value of all real and tangible personal property owned by the business, regardless of location; and in Column 2 show the net book value of the real and tangible personal property located in the City of Flint. The average net book value of real and tangible personal property may be determined by adding the net book values at the beginning of the year and the net book values at the end of the year and dividing the sum thus obtained by two. Any other method which will accurately reflect the average net book value for the year will also be permitted.

Line 1a - Enter in Column 1 the gross annual rentals multiplied by 8 for all rental real property used by the business regardless of location. In Column 2 show the gross annual rentals multiplied by 8 for all rented real property used by the business and located in the City of Flint. Gross annual rentals refer to real property, rented or leased and should include the actual sums of money or other consideration payable, directly, or indirectly, by the taxpayer for the use of possession of such real property.

Line 2 - Enter in Column 1 the total compensation paid to all employees during the year and in Column 2 show the amount of compensation paid to employees for work done or for services performed within the City of Flint during the year.

Line 3 - Enter in Column 1 the total gross revenue for all sales or services rendered during the year and in Column 2 show the amount of revenue derived from sales made or services rendered in the City of Flint during the year.

INSTRUCTIONS FOR SCHEDULE C, OTHER PARTNERSHIP INCOME OR LOSS

The Michigan Uniform City Income Tax Ordinance, imposing a tax of 1% on income of city residents and 1/2% on income of non-residents was adopted by the City of Flint effective January 1, 1965.

Resident individuals are subject to the tax regardless of the location from which taxable income was derived. Non-resident individuals are subject to the tax on income earned in the City of Flint and on the net profits from business, professions or other activities conducted in the City of Flint.

This schedule is used to indicate all of the income of the Partnership which may be subject to the Flint income tax. Line 29 of the Schedule

therefore, will show the total Partnership income to account for. Schedules A, B, E, F and G will then be filled out to compute the taxable portion of the income shown on Line 29 of Schedule C. These taxable amounts are then compiled in the Summary Schedule 1 on Page 3.

The amounts of each Partner shown in Schedule 1 are to be transferred to the income section on Page 1, Column 1. If the Partnership elects to pay the tax, fill in Lines 7 through 11.